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Letter dated 21 December 2016 from the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) addressed to the President of the Security Council

I have the honour to transmit herewith the report of the Security Council Committee established pursuant to resolution 1718 (2006), containing an account of the Committee's activities from 1 January to 31 December 2016. The report, which was approved by the Committee, is being submitted in accordance with the note by the President of the Security Council of 29 March 1995 (S/1995/234).

I would appreciate it if the present letter and the report were brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Román **Oyarzun Marchesi**
Chair
Security Council Committee established
pursuant to resolution 1718 (2006)

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Report of the Security Council Committee established pursuant to resolution 1718 (2006)

I. Introduction

1. The present report of the Security Council Committee established pursuant to resolution 1718 (2006) covers the period from 1 January to 31 December 2016.

2. The Bureau of the Committee consisted of Román Oyarzun Marchesi (Spain) as Chair and the representatives of Egypt and Ukraine as Vice-Chairs.

II. Background

3. In response to nuclear tests and launches conducted by the Democratic People's Republic of Korea that used ballistic missile technology, the Security Council has adopted six resolutions in which it imposed and/or strengthened various sanctions on that country: resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) and 2321 (2016). The measures include an arms embargo, an embargo relating to nuclear, ballistic missile and other weapons of mass destruction programmes, sectoral bans on coal, minerals and fuel, a ban on the export of luxury goods, a travel ban and/or asset freeze on designated individuals and entities, a ban on the provision of financial services, a ban on specialized teaching and training in disciplines that could contribute to prohibited activities and programmes, cargo inspection and maritime procedures and a binding annual cap on the total export of coal originating in the country. Exemptions to some of the specific measures are also provided for.

4. The Security Council Committee established pursuant to resolution 1718 (2006) is mandated to oversee the implementation of the measures, examine and take appropriate action regarding alleged sanctions violations and make recommendations to strengthen the effectiveness of the measures.

5. A panel of experts, established pursuant to resolution 1874 (2009), acts under the direction of and assists the Committee to implement its mandate to monitor, promote and facilitate the implementation of the measures imposed in the resolutions.

6. The membership of the Panel of Experts initially consisted of seven experts, but was increased to eight experts under resolution 2094 (2013). The mandate of the Panel was renewed most recently by the Security Council in its resolution 2276 (2016).

7. Further background information on the Democratic People's Republic of Korea sanctions regime can be found in the previous annual reports of the Committee.

III. Summary of the activities of the Committee

8. The Committee met four times in informal consultations, on 19 February, 31 March, 15 June and 26 August, in addition to conducting its work through written procedures. The Committee also convened an open briefing on 16 March.

9. During the informal consultations held on 19 February, the Committee heard a presentation by the Panel of Experts on its final report (S/2016/157), submitted pursuant to paragraph 2 of resolution 2207 (2015), and discussed the recommendations contained therein.

10. During the informal consultations held on 31 March, the Committee discussed the continuing violations of resolution 2270 (2016) by the Democratic People's Republic of Korea, the obligations by Member States to report on their implementation of the relevant Security Council resolutions and the requests for guidance from both Member States and international organizations in implementing resolution 2270 (2016).

11. During the informal consultations held on 15 June, the Committee discussed the continuing violations of resolution 2270 (2016) by the Democratic People's Republic of Korea and the recommendations contained in the final reports for 2015 and 2016 of the Panel of Experts (S/2015/131 and S/2016/157), in addition to updating and reviewing the sanctions list maintained by the Committee.

12. During the informal consultations held on 26 August, the Committee received a briefing by the Coordinator of the Panel of Experts on the Panel's midterm report, submitted pursuant to paragraph 2 of resolution 2276 (2016), and discussed the letters received from a number of Member States regarding the continuing violations of resolution 2270 (2016) by the Democratic People's Republic of Korea.

13. On 25 February, 4 May, 30 August and 30 November, the Chair of the Committee briefed the Security Council during consultations on the activities of the Committee, pursuant to paragraph 12 (g) of resolution 1718 (2006).

14. The Committee received 73 reports from Member States on the implementation of resolution 2270 (2016) and 3 reports on the implementation of resolutions 1718 (2006), 1874 (2009), 2087 (2013) and 2094 (2013).

15. The Committee received 18 reports from Member States of alleged violations concerning measures imposed by the Security Council, comprising 15 letters on the nuclear tests and ballistic missile launches by the Democratic People's Republic of Korea and 3 letters on the interdiction of shipments from that country that were suspected to be in violation of the relevant Council resolutions.

16. On 21 March, the Committee decided that four vessels specified in annex III to resolution 2270 (2016) were not economic resources controlled or operated by a designated entity on the Committee's sanctions list and therefore not subject to the asset freeze imposed under paragraph 8 (d) of resolution 1718 (2006). The Committee sent a note verbale to all Member States on 22 March concerning its decision.

17. On 4 April, in accordance with paragraph 25 of resolution 2270 (2016), the Committee submitted to the Security Council a report (S/2016/308) in which it

updated the list of weapons of mass destruction-related items, materials, equipment, goods and technology to be identified and designated as sensitive goods pursuant to resolution 2270 (2016).

18. On 16 December, in accordance with paragraph 7 of resolution 2321 (2016), the Committee submitted to the Security Council a report (S/2016/1069) conveying a new conventional arms dual-use list that it had adopted on 15 December.

19. On 17 December, the Committee decided that five vessels specified in annex III to resolution 2270 (2016) were not economic resources controlled or operated by a designated entity on the Committee's sanctions list and therefore not subject to the asset freeze imposed in paragraph 8 (d) of resolution 1718 (2006). The Committee sent a note verbale to all Member States on 19 December concerning this decision.

20. Following the adoption of resolution 2270 (2016) by the Security Council on 2 March, the Committee updated a number of its documents, including three of its implementation assistance notices and the fact sheet on measures imposed under the relevant resolutions. On 25 May, the Committee sent a note verbale to all Member States conveying an updated version of its Implementation Assistance Notice No. 2, on guidelines on the preparation and submission of national implementation reports, together with an optional checklist template for measures contained in Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013) and 2270 (2016) relevant to national implementation reports submitted by Member States.

21. The Committee continued to assist Member States and international organizations in implementing their obligations under the relevant Security Council resolutions. On 16 March, the Committee held an open briefing, at which the Chair provided an overview of the new measures imposed under resolution 2270 (2016) and informed Member States about the mandate and activities of the Committee and how it could assist them in carrying out their obligations under the relevant resolutions. On 8 April, the Committee wrote to international organizations to convey the statement and presentation delivered at the open briefing in order to inform them about the mandate and activities of the Committee and to assist them in carrying out their obligations under the relevant resolutions.

22. The Committee received letters from several United Nations entities requesting confirmation that their engagement with the Democratic People's Republic of Korea, including proposals to provide technical assistance to the country, did not contravene the sanctions regime. The Committee positively responded to those requests, recalling the obligations under the relevant Security Council resolutions.

23. The Committee sent 178 communications to 130 Member States and other stakeholders with reference to the implementation of the sanctions measures.

IV. Exemptions

24. Exemptions to the arms embargo are contained in paragraph 10 of resolution 1874 (2009) and paragraph 8 of resolution 2270 (2016).

25. Exemptions to the asset freeze are contained in paragraph 9 of resolution 1718 (2006) and paragraph 32 of resolution 2270 (2016).

26. Exemptions to the travel ban are contained in paragraph 10 of resolution 1718 (2006) and paragraph 10 of resolution 2094 (2013).

27. Exemptions relating to the provision of bunkering services are contained in paragraph 17 of resolution 1874 (2009).

28. Exemptions relating to proliferation networks are contained in paragraphs 13 and 14 of resolution 2270 (2016).

29. Exemptions relating to interdiction and transportation measures are contained in paragraph 21 of resolution 2270 (2016) and paragraphs 8, 9 and 22 of resolution 2321 (2016).

30. Exemptions relating to the coal ban are contained in paragraph 26 of resolution 2321 (2016) and exemptions relating to the fuel ban (aviation, rocket and jet fuel) are contained in paragraph 31 of resolution 2270 (2016).

31. Exemptions relating to scientific and technical cooperation are contained in paragraph 11 of resolution 2321 (2016).

32. Exemptions relating to financial measures are contained in paragraph 19 of resolution 1874 (2009), paragraph 33 of resolution 2270 (2016) and paragraphs 31 to 33 of resolution 2321 (2016).

33. Exemptions relating to statues and new helicopters and vessels are contained in paragraphs 29 and 30 of resolution 2321 (2016).

34. The Committee approved two requests from a Member State for an exemption from the correspondent account prohibition set out in paragraphs 33 and 35 of resolution 2270 (2016), and another request from the United Nations Development Programme, on behalf of the United Nations system, to establish and maintain a correspondent relationship with a bank in the Democratic People's Republic of Korea, in accordance with paragraph 33 of resolution 2270 (2016).

V. Sanctions list

35. The criteria for the designation of individuals and entities as subject to the travel ban and asset freeze are set out in paragraphs 8 (d) and (e) of resolution 1718 (2006), paragraph 12 of resolution 2087 (2013) and paragraph 27 of resolution 2094 (2013). The procedures for requesting listing and delisting are described in the Committee's guidelines for the conduct of its work.

36. As at the end of the reporting period, there were 39 individuals and 42 entities on the sanctions list of the Committee.

VI. Panel of Experts

37. On 19 January, in accordance with paragraph 2 of resolution 2207 (2015), the Panel of Experts provided its final report to the Committee, which was transmitted to the Security Council on 22 February and issued as a document of the Council (S/2016/157).

38. On 8 April, following the adoption by the Security Council of resolution 2276 (2016) on 24 March, the Secretary-General appointed eight individuals to the Panel, with expertise in missile technology, nuclear issues, air transport, customs and export controls, weapons of mass destruction, arms control and non-proliferation policy, finance, maritime transport and other weapons of mass destruction and conventional arms (see S/2016/333). The mandate of the Panel expires on 24 April 2017.

39. On 10 May, in accordance with paragraph 3 of resolution 2276 (2016), the Panel presented its programme of work to the Committee. On 28 July, in accordance with paragraph 2 of resolution 2276 (2016), the Panel provided its midterm report to the Committee, which was transmitted to the Security Council on 29 August.

40. The Panel conducted visits to Angola, Bahrain, China, Egypt, France, Japan, Luxembourg, Malaysia, Mexico, the Republic of Korea, the Russian Federation, Singapore, South Africa, the United Arab Emirates, the United Kingdom of Great Britain and Northern Ireland and the United States of America. The Panel also held informal consultations with government officials and national experts of Member States and with representatives of several international organizations and entities, such as the Financial Action Task Force, the International Astronautical Federation and the Congressional Research Service. It also participated in relevant international meetings, conferences, workshops and seminars.

41. In pursuance of its mandate, the Panel, through the Secretariat, sent 1,068 letters to Member States, the Committee and international and national entities.

VII. Secretariat administrative and substantive support

42. The Security Council Affairs Division provided substantive and procedural support to the Chair and the members of the Committee. Advisory support was also provided to Member States to promote understanding of the sanctions regime and facilitate the implementation of the sanctions measures. Induction briefings were also provided to incoming members of the Council to familiarize them with the specific issues relevant to the sanctions regime.

43. To support the Committee in its recruitment of well-qualified experts to serve on sanctions monitoring groups, teams and panels, a note verbale was sent to all Member States on 1 December to request the nomination of qualified candidates for membership of the roster of experts. In addition, a note verbale was sent to all Member States notifying them of upcoming vacancies on the Panel of Experts and providing information on recruitment timelines, areas of expertise and pertinent requirements.

44. The Division continued to provide support to the Panel of Experts, conducting an induction for newly appointed members and assisting in the preparation of the Panel's midterm report in August and during the preparation of its final report in December.

45. The Panel of Experts participated in the fourth annual inter-panel coordination workshop, held in New York on 6 and 7 December, organized by the Secretariat. On 8 and 9 December, the Division, in cooperation with United Nations system

partners, conducted a workshop on investigative interview techniques for 19 experts from sanctions monitoring groups, teams and panels. Two members of the Panel participated therein.

46. The Secretariat continued to update and maintain the Consolidated United Nations Security Council Sanctions List and the Committee-specific sanctions lists in the six official languages and the three technical formats. Furthermore, the Secretariat implemented improvements concerning the effective utilization of and access to sanctions lists, including through the establishment of a search function for names on sanctions lists, the creation of lists organized by permanent reference number, in addition to those in alphabetical order, and the creation of links in list entries, as appropriate, to INTERPOL-United Nations Security Council Special Notices.

47. In paragraph 42 of resolution 2321 (2016), the Security Council requested the Secretary-General to provide the additional administrative and analytical support resources needed to increase the capacity of the Panel of Experts. The Secretariat has begun planning and to take the necessary administrative steps in that regard.